

# Legislative Issue Brief – Lottery Fund Distributions



## **Catawba County Board of Commissioner's Legislative Goal**

### **Support a fairer distribution method in the School Capital Fund Formula/Lottery Proceeds**

#### **Background**

Of the Lottery funds dedicated to school construction, 65 percent is distributed on a per student basis and 35 percent of the funds are given to counties that have an effective tax rate that is higher than the statewide average. Since Catawba County has a lower tax rate than the statewide average, the current distribution formula puts Catawba County at a tremendous disadvantage since the County cannot access 35% of the funds. For example, if the 35 percent that is distributed based on the effective tax rate were distributed based on a per student allocation to each county, Catawba County could receive an additional \$1 million from Lottery proceeds.

During the 2009 Long Session, several bills were introduced that addressed a fairer distribution of lottery funds to school construction. Senate Bill 2/House Bill 352 and House Bill 268 would have changed the school construction formula so that all funds are distributed based on average daily membership of pupils. An additional bill introduced (Senate Bill 771) would have reallocated lottery funding from class size reduction and Pre-K program to school construction. None of the aforementioned bills moved beyond committee during the 2009 Long Session.

The county effective tax rate should not be a consideration for the distribution of lottery funds. Student enrollment would be a fairer method of distribution.

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